

THE HENDRICKSON COMPANY

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To: Leon County Housing Finance Authority Board of Directors
From: Mark Hendrickson, Financial Advisor
Subject: January 12, 2017 Board Meeting
Date: January 5, 2017

I. Annual Election of Officers—Action

1. HFA bylaws call for annual election of officers. The officers named in the bylaws are Chairman, Vice-Chairman, and Secretary/Treasurer.
2. Recommendation: Elect officers for terms serving through the January 2018 HFA Board meeting.

II. Financial Reports and Budget—Action

1. The Financial Statement for December 31, 2017 is attached. Net assets as of December 31, 2017 are \$1,709,457.23, with \$657,727.64 in cash.
2. The HFA Budget and Income/Expenditure detail is attached. For December, income exceeded expenses by \$4,599. Year-to-date, income has exceeded expenses by \$3,019.
3. **Recommendation:** Accept Financial Statement.

III. Emergency Repair Program—Action

1. The HFA authorized an emergency repair program, for minor repairs that need immediate attention—and are not covered by the County's SHIP Program. A total of \$30,000 has been authorized for this program. Individual repairs were limited to \$1,650 per home.
2. The total amount of repairs funded through October is \$11,549.97. The program resumed in October, with eighteen (18) new cases totaling \$18,300 in process. If all of those cases are funded, \$150.03 would remain unencumbered. The December report is attached.
3. None of the new cases has progressed to the point where money has been spent.
4. The HFA Board directed that consideration of an increase in funding for this program be placed on the January 2017 HFA agenda.
5. **Recommendation:** Defer consideration of increase in funding until March 2017.

IV. Real Estate—Informational

1. The Real Estate Division is working on disposing of properties as clear title is obtained. They are also obtaining appraised values.
2. At the request of the Real Estate Division, the HFA prioritized the properties (to avoid spending more money obtaining clear title than the property's value). A list is attached.
3. Mitzi McGhin reports:
 - 114 Osceola Street: Sold in September for \$34,100, with net revenue to the HFA of \$33,077
 - 723 Frankie Lane Drive: Sold in December for \$12,000 (appraised value \$13,000), with net revenue to the HFA of \$11,300.
 - 278 Oakwood Drive: Scheduled to close January 5, with sales price of \$27,300 (appraised value \$35,000)—net revenue to the HFA to be determined
 - 2109 Holton Street: Under contract (title issues being worked on), with sales price of \$6,500—net revenue to the HFA to be determined.
 - For sale signs placed on properties in Crown Ridge, with appraisals due December 2. Several inquiries have been received..
4. **Recommendation:** None.

V. Future Role of HFA—Informational

1. Staff has researched the Leon County HFA ordinance, and Mr. Rigo has prepared a list of restrictions that are in the ordinance, but not in Chapter 159 (state statute that governs local HFA's) is attached. This is designed to lead to an ordinance revision that grants the HFA a more independent status, in line with most other local HFA's.
2. Three significant powers are withheld from the HFA, that severely hinder the HFA's independence and ability to move quickly to address issues:
 - Contracts—must be approved by BOCC
 - Budget—must be approved by BOCC as part of County's overall budget
 - Procurement—must follow County process and involves County Purchasing Department
3. The Board voted in June to direct County staff to move forward with an ordinance amendment to accomplish the goal of HFA independence, which would also include a requirement for annual reports from the HFA to the BOCC. At the September meeting, the Board again directed County staff to move forward with this.
4. The Board requested that the Board and Financial Advisor be involved with the drafting and review of any proposed Ordinance changes.
5. On December 13, 2016 the BOCC authorized a public hearing on proposed HFA ordinance changes for January 24, 2017. The final action on the ordinance changes would take place February 7.
6. Dan Rigo presented the draft ordinance at the December meeting. Final version is attached.
7. **Recommendation:** None.

VI. To-Do List—Informational

To-Do Item	HFA	FA	CAO	LK	LS	Status	Completed
Prior to October 2015 Meeting							
Set date for Stakeholders Meeting	X					On hold	
Seek Independent operational status separate from County. Make specific request to BOCC.	X	X	X		X	Public hearing on Ordinance changes scheduled for January 24, 2017, with final BOCC action February 7	
October 2015							
Research if old payoffs of DPA loans came to HFA.		X			X	In process.	
June 2016							
Board directed Mr. Rigo and Mr. Ross to move forward with sale of properties with the goal of selling as soon as possible to create revenue—for this point in time.			X			Work underway. 1 st sale complete.	Ongoing
November 2016							
Board directed FA to place item related to consideration of additional funding for Emergency Repair Program on January 2017 HFA agenda and to coordinate agenda item and ordinance with the HFA Board and FA		X				On agenda. Recommend deferral of decision until March.	
Board directed CAO and County staff to include ability for HFA to adopt its own budget and enter into contracts without additional BOCC approval in Ordinance changes			X		X	Draft Ordinance includes these items.	
December 2016							
Property spreadsheet to be emailed to Board members after meeting		X				Done	X
HFA to seek additional donations of property from lending institutions. Mr. Gay volunteered to draft letter and provide lender contacts.	X					In progress	
Leon County Office of Financial Stewardship to provide estimate of costs for HFA activities for which it currently does not charge						Mr. Ross provided estimate. The charges allocated to the HFA were \$16,347. The majority of this was to Finance \$11,365 for transactions. Additional costs for Procurement of \$1,014, MWSBE \$336, and the cost for the HFA portion of on non-operating (Banking and Audit) for \$2,288.	X
Information on FLALHFA and NALHFA Conferences		X				NALHFA in San Francisco April 26-29. FLALHFA in Atlantic Beach, July 12-15	X